(d) if so, the outcome thereof and the progress made so far on this project?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) to (d) No, Sir. In the 13th meeting of Board of Directors of Kakinada Refinery & Petrochemicals Ltd. (KRPL) held on 23rd June 2008, wherein representative of Government of Andhra Pradesh also present, the management of Oil and Natural Gas Corporation Ltd. (ONGC) has conveyed its decision to withdraw from the project with immediate effect as the financial appraisal indicated that the project would not provide appropriate returns, even with enhanced capacity of 15 Million Metric Tonnes Per Annum (MMTPA).

Losses to ONGC

†1663. SHRI SHIVANAND TIWARI:

DR. MURLI MANOHAR JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Oil and Natural Gas Corporation (ONGC) produces 40 per cent of the total production of Natural Gas in country;

(b) if so, the details thereof;

(c) whether the company is facing heavy economic losses because of sale of gas at a price below the cost of production;

(d) if so, the estimated value of this loss during the year, 2007-08; and

(e) the average cost of the gas production to the company during the 2007-08 alongwith the formula adopted for fixing the production cost so far?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) Yes, Sir. Oil and Natural Gas Corporation Ltd. (ONGC) produces more than 40% of total production of Natural Gas in the Country. The total production of Natural Gas in the Country during the year 2007-08 was 32.405 Billion Cubic Meter (BCM) out of which ONGC produced 22.334 BCM (68.9%).

(c) and (d) Yes, Sir. ONGC is having economic loss in gas business. In 2007-08 ONGC made under-recoveries of Rs. 1570.76 crore from gas business.

(e) The average cost of production of gas by ONGC during 2007-08 is Rs. 3426 per Million Standard Cubic Meter (MSCM). Sales realization was Rs.3147/MSCM and under recoveries were Rs.279/MSCM.

Revision of prices of petroleum products

1664.DR. V. MAITREYAN : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the price of the crude oil has fallen drastically in the international market during the last four months;

(b) if so, the impact on the outflow of foreign exchange from the country due to this fall;

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†Original notice of the question was received in Hindi